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ED WRIGHT, *Secretary of State.*

CHAPTER 138.

GENERAL INSURANCE LAW.

AN ACT to Regulate Insurance Companies.

APRIL 7.

SECTION 1. *Be it enacted by the General Assembly of the State of Iowa,* That hereafter when any number of persons associate themselves together for the purpose of forming an insurance company, for any other purpose than life insurance, under the provisions of chapter fifty-two of the Revision of 1860, and all acts amendatory and supplementary thereto, they shall publish a notice of such intention once in each week four weeks in some public newspaper in the county in which such insurance company is proposed to be located; and they shall also make a certificate, under their hands, specifying the name assumed by such company, and by which it shall be known, the object for which said company shall be formed, the amount of its capital stock, and the place where the principal office of said company shall be located, which certificate shall be acknowledged before and certified by some notary public or clerk of court of record, and forwarded to the Auditor of State, who shall submit the same to the Attorney-General for examination, and if it shall be found by the said Attorney-General to be in accordance with the provisions of this act, and not in conflict with the constitution and laws of the United States and of this State, he shall make a certificate of the facts and return it to the Auditor of State, who shall reject the name or title applied for by any company when he shall deem the same too similar to any one already appropriated by any other company, or likely to mislead the public.

How formed.

Rev., ch. 52.

Notice.

Certificate;

forwarded to

Auditor;

examined by

Att'y-Gen'l.

Similarity of title not allowed.

SEC. 2. When the said certificate of the said company shall have received the approval of the Attorney-General and Auditor of State, the said company shall

Certificate approved.

Recorded. cause the same to be recorded as now required by law for recording articles of incorporation, and said persons, when incorporated, and having in all respects complied with the provisions of this act, are hereby authorized to carry on the business of insurance, as named in such certificate of incorporation, and by the name and style provided therein, and shall be deemed a body corporate with succession; they and their associates, successors, and assigns to have the same general corporate powers, and be subject to all the obligations and restrictions of said chapter fifty-two of the Revision of 1860, and of such acts as may be amendatory or supplementary thereto, except as may be herein otherwise provided.

Company authorized to insure.

Powers, &c.

Capital not less than \$50,000. Sec. 3. No joint stock company shall be incorporated under the provisions of this act with a smaller capital than fifty thousand dollars, nor more than one million dollars, as may be specified in the certificate of incorporation, which stock shall be divided into shares of one hundred dollars each, of which capital not less than twenty-five per cent. thereof, and in no case less than twenty-five thousand dollars, shall be paid up in cash. The balance of the capital of said company may consist of the bonds or notes of the stockholders; nor shall any company, on the plan of mutual insurance, commence business in this State until agreements have been entered into for insurance with at least two hundred applicants, the premiums upon which shall amount to not less than twenty-five thousand dollars, of which at least five thousand dollars shall have been paid in actual cash, and for the remainder of which notes of solvent parties, founded upon actual and *bona fide* application for insurance, shall have been received. No one of the notes received as aforesaid shall amount to more than five hundred dollars; and no two thereof shall be given for the same risk, or made by the same person or firm, except where the whole amount of such notes does not exceed the sum of five hundred dollars; nor shall any note be regarded or represented as capital stock unless a policy be issued upon the same within thirty days after the organization of the company taking the same, upon a risk which shall be for no shorter period than twelve months. Each of said notes shall be payable, in whole or in part, at any time when the directors shall deem the same requisite for the payment of losses by fire or inland navigation, and such incidental expenses as may be necessary for transacting the business of said company. And no note shall be accepted as part of such capital stock unless the same shall be

Capital not less than \$50,000.

25 per cent. or \$25,000 paid.

Mutual companies.

Premiums \$25,000, \$5,000 paid.

Provisions in regard to notes. No note more than \$500.

Payable.

accompanied by a certificate of a justice of the peace, notary public, or clerk of the district court of the county in which the person executing such note shall reside, that the person making the same is, in his opinion, pecuniarily good and responsible for the same in property not exempt from execution by the laws of their State; and no such note shall be surrendered while the policy for which it was given continues in force. Notes certified.

SEC. 4. Having published the notice and filed publishers' affidavit of the publication thereof with the Auditor of State, together with the certificate as required by the first section of this act, the persons named in the certificate of incorporation, or a majority of them, shall be commissioners to open books for the subscription of stock to the company at such times and places as to them may seem convenient and proper, and shall keep the same open until the full amount specified in the certificate is subscribed; or, in case the business of such company is proposed to be conducted on the plan of mutual insurance, then open books to receive propositions and enter into agreements in the manner and to the extent specified in the third section of this act. Books opened.

SEC. 5. The affairs of any company, organized under the provisions of this act, shall be managed by not more than twenty-one nor by fewer than five directors, all of whom shall be stockholders. Within thirty [days] after the subscription book shall have been filled, a majority of the subscribers shall hold a meeting for the election of directors — each share entitling the holder thereof to one vote; and the directors then elected shall continue in office until their successors have been duly chosen and have accepted the trust. No. of directors.

SEC. 6. It shall be lawful for any insurance company organized under this act, or incorporated under any law of this State, to invest its capital and the funds accumulated in the course of its business, or any part thereof, in bonds and mortgages on unencumbered real estate within the State of Iowa, worth double the sum loaned thereon exclusive of buildings, unless such buildings are insured in some responsible company or companies, and the policy or policies transferred to said company, and also in stocks of this State, or stocks or treasury notes of the United States, — in the stocks and bonds of any county or incorporate city in this State which may have been theretofore authorized to Funds, how invested.

be issued by the legislature of this State; and to lend the same, or any part thereof, on the security of such stocks or bonds, or treasury notes, or upon bonds and mortgages as aforesaid and not otherwise; and to change and reinvest the same in like securities as occasion may from time to time require; but any surplus money over and above the paid-up capital stock of any such company — organized under this act, or incorporated under any law of this State — may be invested in or loaned upon the pledge of the public stocks or bonds of the United States, or any one of the States, or the stocks, bonds, or other evidences of indebtedness of any solvent, dividend-paying institutions incorporated under the laws of this State or of the United States, except their own stock: *Provided*, Always that the current market value of such stock, bonds, or other evidences of indebtedness, shall be at all times, during the continuance of such loans, at least ten per cent. more than the sum loaned thereon.

SEC. 7. Upon receiving notification that the requirements of the preceding sections have been complied with, the Auditor of State shall make an examination or cause one to be made by some disinterested person officially appointed by him for that purpose — and if it shall be found that the capital herein required of the company named, according to the nature of the business proposed to be transacted by such company, has been paid in and is possessed by it in money, or in such stock notes, bonds, and mortgages as are required by the third and sixth sections of this act, then he shall so certify; and if the examination be made by other than the Auditor, then the finding shall be certified under oath; or, if it is proposed to be a mutual insurance company, that it has received and is in actual possession of the capital, premiums, or *bona fide* engagements of insurance or other securities, as the case may be, to the extent and value required by the third and sixth sections of this act. The name and residence of the maker of each premium note forming part of the capital of any such proposed mutual insurance company, and the amount of such note, shall be returned to the Auditor.

The corporators or officers of any such company or proposed company, contemplated by this act, shall be required to certify under oath to the Auditor of State that the capital exhibited to the person making the examination directed in this section, was *bona fide* property of the company so examined. The certificates

above contemplated shall be filed in the office of said Auditor who shall thereupon deliver to such company a certified copy of the same — with his written permission for them to commence business proposed in their written certificate of incorporation — which on being placed on record in the office of the recorder of the county in which the company is to be located, by the recorder in a book prepared by him for that purpose, shall be their authority to commence business and issue policies; and such certified copy of said certificates may be used in evidence for or against said company with the same effect as the originals.

Permission to do business.

Certificate re-issued.

Sec. 8. It shall be lawful for any company organized under this act or doing business in this State: First, to insure houses, buildings, and all other kinds of property against loss or damage by fire, or other casualty, and to make all kinds of insurance on goods, merchandise, or other property in the course of transportation whether on land or on water, or any vessel or boat, wherever the same may be; Second, to make insurance on the health of individuals, and against the personal injury, disablement and death resulting from traveling, or general accidents by land or water; Third, to insure the fidelity of persons holding places of public or private trust; Fourth, to receive on deposit and insure the safe-keeping of books, papers, moneys, stocks, bonds, and all kinds of personal property; Fifth, to insure horses, cattle, and other live stock against loss or damage by accident, theft, or any unknown or contingent event whatever which may be the subject of legal insurance; to lend money on bottomry or respondentia, and to cause itself to be insured against any loss or risk it may have incurred in the course of its business, and upon the interest which it may have in any property by means of any loan or loans which it may have made on mortgage, bottomry, or respondentia, and generally to do and perform all other matters and things proper to promote these objects: *Provided*, That no company shall be organized to issue policies of insurance for more than one of the above five-mentioned purposes, and no company that shall have been organized for either one of said purposes shall issue policies of insurance for any other; and no company organized under this act, or transacting business in this State, shall expose itself to loss on any one risk or hazard to an amount exceeding ten per cent. on its paid-up capital, unless the excess shall be reinsured by the same in some other good and reliable company:

Kinds of business:

fire, marine, &c. insurance;

health & accident,

fidelity;

safe-keeping of personal property; live stock;

loan money on bottomry, &c., and insure same.

Companies confined to one kind of insurance.

Limits of risk.

And provided, That the restrictions as to the amount of risk any company shall assume, shall not apply to companies organized to guarantee the fidelity of persons in places of public or private trust, nor to companies that receive on deposit and guarantee the safe-keeping of books, papers, moneys, and other personal property.

Election to be held in Jan. **Sec. 9.** The annual meetings for the election of directors shall be holden during the month of January, at such time as the by-laws of the company may direct: *Provided, however*, That if for any cause the stockholders shall fail to elect at any annual meeting, then they may hold a special meeting some day subsequent thereto for that purpose, by giving thirty days' notice thereof in some newspaper in general circulation in the county in which the principal office of the company shall be located; and the directors chosen at any such annual or special meeting shall continue in office until the next annual meeting and until their successors, duly elected, shall have accepted.

Proviso:

Term of office of directors.

President elected—vacancies filled. **Sec. 10.** The directors shall choose by ballot a president from their own number, and shall fill all vacancies which shall arise in the board or in the presidency thereof; and the board of directors thus constituted or a majority of them when convened at the office of the company shall be competent to exercise all the powers vested in them by this act.

Secretary and agents. **Sec. 11.** The directors of any such company shall have power to appoint a secretary, and any other officers or agents necessary for transacting the business of the company, paying such salaries and taking such securities as they may deem reasonable; they may ordain and establish such by-laws and regulations not inconsistent with this act or with the constitution and laws of the United States and of this State, as shall appear to them necessary for regulating and conducting the business of the company; and it shall be their duty to keep full and correct entries of their transactions, which shall at all times be open to the inspection of the stockholders, and to the inspection of persons invested by law with the right thereof.

By-laws and regulations.

Inspection.

Policies. **Sec. 12.** All policies or contracts of insurance made or entered into by the company, may be made either with or without the seal of said company; but said policies shall be subscribed by the president or such other officer as may be designated by the directors for that purpose, and shall be attested by the secretary thereof.

SEC. 13. Transfers of stock may be made by any stockholder, or his legal representative, subject to such restrictions as the directors shall from time to time establish in their by-laws, except as hereinafter provided.

SEC. 14. Whenever any company organized under this act, with less than the maximum capital limited in section three hereof, shall, in the opinion of the directors thereof, require an increased amount of capital, they shall, if authorized by the holders of a majority of the stock to do so, file with the Auditor of State a certificate setting forth the amount of such desired increase, not exceeding said maximum, and thereafter such company shall be entitled to have the increased amount of capital fixed by said certificate, and the examination of securities composing the capital stock thus increased shall be made in the same manner as provided in section seven of this act, for the capital stock first paid in.

SEC. 15. It shall not be lawful for the directors, trustees, or managers of any insurance company, organized under this act, or incorporated under any law of this State, to make any dividends, except from the surplus profit arising from their business; and in estimating such profits, there shall be reserved therefrom a sum equal to forty per cent. of the amount received as premiums on unexpired risks and policies, which amount so reserved is hereby declared to be unearned premiums; and there shall also be reserved all sums due the corporations on bonds and mortgages, bonds, stocks, and book account, of which no part of the principal or interest thereon has been paid during the year preceding such estimate of profits, and upon which suit for foreclosure or collection has not been commenced, or which, after judgment has been obtained thereon, shall have remained more than two years unsatisfied and on which interest shall not have been paid; and in case of any such judgment the interest due or accrued thereon, and remaining unpaid, shall also be reserved. Any dividends made contrary to these provisions shall subject the company making it to a forfeiture of their charter.

SEC. 16. No company organized under this act shall purchase, hold, or convey any real estate save for the purposes and in the manner herein set forth, to-wit: First—such as shall be requisite for its convenient accommodation in the transaction of its business; Second—such as shall have been mortgaged to it in good faith, by way of security for loans previously

contracted, or for money due; or, Third — such as shall have been conveyed to it in satisfaction of debts previously contracted in the legitimate business of the company, or for money due; or, Fourth — such as shall have been purchased at sales upon judgments, decrees, or mortgages obtained or made for such debt; and it shall not be lawful for any such company to purchase, hold, or convey real estate in any other case or for any other purpose, or acquired in any other manner, except that it may convey real estate which shall be found in the course of its business, not necessary for its convenient accommodation in the transaction thereof; and all such last-mentioned real estate shall be sold and conveyed within three years after the same shall have been deemed by the Auditor of State unnecessary for such accommodation, unless the company shall procure a certificate from the said Auditor that the interest of said company will materially suffer by a forced sale, in which event the sale may be postponed for such a period as the said Auditor shall direct in said certificate.

Real estate unnecessary for business to be sold within three years.

Exception.

Notes of mutual companies, at organization, security for losses, &c.

Subsequent notes, when given up.

Amt. of note to be given.

Who shall be members.

Sec. 17. All notes deposited with any mutual insurance company at the time of its organization, as provided in section three hereof, shall remain as security for all losses and claims until the accumulation of the profits invested as required by the sixth section of this act shall equal the amount of cash capital required to be possessed by stock companies organized under this act, the liability of each note decreasing proportionately as the profits are accumulated; but any note which may have been deposited with any mutual insurance company subsequent to its organization, in addition to the cash premiums on any insurance effected with such company, may, at the expiration of the time of such insurance, or upon the cancellation by the company of the policy, be relinquished and given up to the maker thereof, or his legal representatives, upon his paying his proportion of losses and expenses which may have accrued thereon during such term. The directors or trustees of any such company shall have the right to determine the amount of the note to be given in addition to the cash premium by any person insured in such company; and every person effecting insurance in any mutual company, and also their heirs, executors, administrators, and assigns, continuing to be so insured, shall thereby become members of said company during the period of insurance, and shall be bound to pay for losses and such necessary expenses as aforesaid, accruing to said company, in proportion to his

or their deposit note or notes: *Provided*, That any person insured in any mutual company, except in the case of notes required by this act to be deposited at the time of its organization, may at any time return his policy for cancellation, and upon payment of the amount due at such time upon his premium note shall be discharged from further liability thereon.

SEC. 18. The directors shall, as often as they deem necessary, after receiving notice of any loss or damage, settle and determine the sums to be paid by the several members thereof as their respective portion of such loss, and publish the same in such manner as they shall deem proper, or the by-laws shall have prescribed; but the sum to be paid by each member shall always be in proportion to the original amount of his deposit note or notes, and shall be paid to the officers of the company within thirty days after the publication of said notice; and if any members shall, for the space of thirty days after personal demand or by letter for payment shall have been made, neglect or refuse to pay the sum assessed upon him as his proportion of any loss aforesaid, the directors may sue for and recover the whole amount of his deposit note or notes, with costs of suit; but execution shall issue for assessments and costs as they accrue only, and every such execution shall be accompanied by a list of losses for which the assessment was made. If the whole amount of deposit notes shall be insufficient to pay the loss occasioned, the sufferers insured by said company shall receive, toward making good their respective losses, a proportionate share of the whole amount of said notes, according to the sums to them respectively insured; but no member shall ever be required to pay for any loss more than the whole amount of his deposit note or notes.

Suit on mutual notes.

Execution.

Members not to pay more than their notes.

SEC. 19. Every insurance company hereafter organized as provided in this act, shall, if it be a mutual company, embody the word "mutual" in its title, which shall appear upon the first page of every policy and renewal receipt; and every company doing business as a cash stock company shall, upon the face of its policies, express in some suitable manner that such policies were issued by stock companies.

Title of company on policies of mutual companies.

Stock companies.

SEC. 20. It shall be the duty of the president, or the vice president and secretary of each company organized under this act, or incorporated under any law of this State, or doing business in this State, annually, on the first day of January of each year, or within thirty days thereafter, to prepare under oath, and

Annual statement Jan. 1.

Annual statement continued.	deposit in the office of the Auditor of State, a full, true and complete statement of the condition of such company on the last day of the month preceding that in which such statement is filed, which last statement shall exhibit the following items and facts in the following form, viz.:
Capital.	First—The amount of capital stock of the company.
Officers.	Second—The name of the officers.
Name & place	Third—The name of the company and where located.
Paid capital.	Fourth—The amount of its capital stock paid up.
Assets:	Fifth—The property or assets held by the company, specifying,
real estate;	1st. The value, as nearly as may be, of the real estate owned by such company.
cash on hand, &c.;	2d. The amount of cash on hand and deposited in banks to the credit of the company, and in what bank the same is deposited.
other cash;	3d. The amount of cash in the hands of agents and in the course of transmission.
1st mortgage loans;	4th. The amount of loans secured by first mortgage on real estate with the rate of interest thereon.
other loans;	5th. The amount of all other bonds and loans and how secured, with the rate of interest thereon.
due co.;	6th. The amount due the company on which judgment has been obtained.
stocks;	7th. The amount of stocks of this State, of the United States, of any incorporated city of this State, and of any other stocks owned by the company, specifying the amount, [number] of shares, and par and market value of each kind of stock.
collected;	8th. The amount of stock held by such company as collateral security for loans, with amount loaned in each kind of stock, its par and market value.
assessments;	9th. The amount of assessments on stock and premium notes, paid and unpaid.
interest;	10th. The amount of interest actually due and unpaid.
other securities;	11th. All other securities and their value.
notes.	12th. The amount for which premium notes have been given on which policies have been issued.
Liabilities:	Sixth—The liabilities of such company, specifying:
losses;	1st. The losses adjusted and due.
	2d. The losses adjusted and not due.
	3d. Losses unadjusted.
	4th. Losses in suspense and the cause thereof.
	5th. Losses resisted and in litigation.

6th. Dividends, either in scrip or cash, specifying dividends; amount of each, declared but not due.

7th. Dividends declared and due.

8th. The amount required to reinsure all outstand- reinsurance; ng risks on the basis of 40 per cent. of the premium on all unexpired risks.

9th. The amount due banks or other creditors. amounts due;

10th. The amount of money borrowed and the borrowed; security therefor.

11th. All other claims against the company. other claims.

Seventh — The income of the company during the Income: previous year, specifying:

1st. The amount received for premiums exclusive of premiums; premium notes.

2d. The amount of premium notes received. prem. notes;

3d. The amount received for interest. interest;

4th. The amount received for assessment or calls assessments; on stock notes, or premium notes.

5th. The amount received from all other sources. other sources.

Eighth — The expenditures during the preceding Expenditures; year, specifying:

1st. The amount of losses paid during said term, losses paid; stating how much of the same accrued prior, and how much subsequent, to the date of the preceding statement, and the amount at which losses were estimated in such preceding statement.

2d. The amount paid for dividends. dividends;

3d. The amount paid for commissions, salaries, expenses, and other charges of agents, clerks, and other agents, &c.; employees.

4th. The amount paid for salaries, fees, and other officers, &c.; charges of officers and directors.

5th. The amount paid for local, State, national taxes; internal revenue, and other taxes and duties.

6th. The amount paid for all other expenses, ex- other ex- penditures, including printing, stationery, rents, furni- penses. ture, &c.

Ninth — The largest amount insured in any one risk. Risks.

Tenth — The amount of risks written during the year then ending.

Eleventh — The amount of risks in force, having less than one year to run.

Twelfth — The amount of risks in force, having more than one and not over three years to run.

Thirteenth — The amount of risks having more than three years to run.

Fourteenth — The following question must be Question.

answered, viz.: Are dividends declared on premiums received for risks not terminated?

Accident
companies.
Register of
tickets.

Fifteenth — Each accident insurance company, or company insuring against accident in this State, shall keep a register of tickets sold by its officers or agents, which register shall show the name and residence of the person insured, the amount of such insurance, the date of issue of such ticket, and the time the same will be and remain in force, and it shall be the duty of every such company to file in the office of the Auditor of State, in January in each year, a report, sworn to by the president or secretary of the company, showing the above items of the business of such company during the preceding year, and the Auditor of State shall withhold the certificate of authority from any such company neglecting or failing to comply with the provisions of this section.

Report.

Auditor may
withhold cer-
tificates.

Auditor may
inquire into
condition of
companies.

SEC. 21. The Auditor of State is hereby authorized and empowered to address any inquiries to any insurance company in relation to its doings and condition, or any other matter connected with its transactions, which he may deem necessary for the public good, or for a proper discharge of his duties, and it shall be the duty of any company so addressed to promptly reply in writing thereto.

Additional
exhibit.

SEC. 22. The statement of any company, the capital of which is composed in whole, or in part, of notes, shall, in addition to the foregoing, exhibit the amount of notes originally forming the capital, and also what proportion of said notes is still held by such company and considered capital.

Foreign com-
panies must
have \$100,000

SEC. 23. It shall not be lawful for any insurance company, association, or partnership, organized or associated for any of the purposes specified in this act, incorporated by or organized under the laws of any other State of the United States, or any foreign government, directly or indirectly, to take risks or transact any business of insurance in this State, unless possessed of one hundred thousand dollars of actual paid-up capital, exclusive of any assets of any such company as shall be deposited in any other States or territories for the special benefit or security of the insured therein; and any such company desiring to transact any such business as aforesaid, by an agent or agents in this State, shall file with the Auditor of State a written instrument, duly signed and sealed, authorizing any agent or agents of such company in this State, to acknowledge service of process for and in behalf of

exclusive of
deposits.

Auditor's cer-
tificate.

such company in this State, consenting that service of process, *meane* or final, upon any such agent or agents, shall be taken and held as valid as if served upon the company according to the laws of Service on this or any other State, and waiving all claim or right agents. of error, by reason of such acknowledgment or service; and also a certified copy of their charter or deed of settlement, together with a statement, under the oath of the president or vice president, or other chief officer, Articles of in- and the secretary of the company for which they corporation. may act, stating the name of the company and the place where located; the amount of its capital, with a detailed statement of the facts and items as required Statement. from companies organized under the laws of this State, as per section twenty hereof; also a copy of the last annual report, if any, made under any law of the State by which such company was incorporated; and Capital im- no agent shall be allowed to transact business for any paired. company whose capital is impaired by the liabilities as stated in section twenty of this act, to the extent of twenty per cent. thereof, while such deficiency shall continue.

Sec. 24. It shall not be lawful for any agent or Auditor's agents to act for any insurance company or companies certificate to referred to in this act, directly or indirectly, in taking agents. risks or transacting business of insurance in this State without procuring from the Auditor of State a certificate of authority stating that such company has complied with all the requisitions of this act.

Sec. 25. The statements and evidences of investments required of *foregoing* [foreign] companies as above, shall be renewed annually in such manner and Annual state- form as required by this act, and as said Auditor may ment. direct, with any additional statement of the amount of the losses incurred or premium received in this State, during the preceding period, so long as such agency continues. And the said Auditor, on being satisfied that the capital, securities, and investments remain secure, as hereinbefore provided, shall furnish a renewal of his certificate as aforesaid.

Sec. 26. Every insurance company organized under the laws of, or doing business in, this State, shall conform All companies to all the provisions of this act applicable thereto, on to conform by or before the first day of January, 1869; and, when Jan. 1, 1869. necessary, any existing company shall change its charter and by-laws so as to conform hereto, by a vote of a majority of its board of directors, and any president, secretary, or other officer of any company

organized under the laws of Iowa, or any officer or person doing, or attempting to do, business in this State for any insurance company organized without this State, failing to comply with any of the requirements of this act, or violating any of the provisions thereof, shall be deemed guilty of a misdemeanor, and upon conviction thereof, shall be fined in a sum not exceeding one thousand dollars, and be imprisoned in the county jail for a period not less than thirty days nor more than six months.

Penalty for violating act. **Sec. 27.** Every agent of any insurance company shall, in all advertisements of such agency, publish the location of the company, giving the name of the city, town, or village in which the company is located, and the State or government under the laws of which it is organized. The term agent or agents used in the foregoing sections shall include an acknowledged agent or surveyor or any other person or persons who shall, in any manner, directly or indirectly transact or aid in transacting the insurance business of any insurance company not incorporated by the laws of this State.

What shall be advertised.

What the term "agent" includes.

Foreign companies. The provisions of the foregoing sections relative to foreign companies shall apply to all such companies, partnerships, associations, or individuals, whether incorporated or not.

Auditor shall appoint an examiner. **Sec. 28.** It shall be the duty of the Auditor of State, whenever he shall deem it expedient to [so] to do in his judgment, to appoint one or more persons, not officers, agents, or stockholders of any insurance company doing business in this State, to examine into the affairs and condition of any insurance company incorporated or doing business in this State, or to make such examination himself; and it shall be the duty of the officers or agents of such company or companies to cause their books to be opened for the inspection of the Auditor or the person or persons so appointed, and otherwise facilitate such examination so far as may be in their power so to do; and, for the purpose of arriving at the truth in such case, the Auditor, or the person or persons so appointed by him, shall have power to examine, under oath, the officers or agents of any company, or others, if necessary, relative to the business and condition of said company; and whenever the Auditor shall deem it best for the interest of the public so to do, he shall publish the result of such investigation in one or more papers in this State; and whenever it shall appear to the said Auditor, from such examination, that the assets and funds of any company incor

Books inspected.

Power to examine under oath.

porated in this State are reduced or impaired by the Capital im-
 liabilities of said company, as described under the head paired more
 of liabilities in the statement required by this act, more than 20 per
 than twenty per cent. below the paid-up capital stock cent.
 required by this act, he may direct the officers thereof
 to require the stockholders to pay in the amount of Call on stock-
 such deficiency, within such a period as he may desig- holders.
 nate in such requisition, or he shall communicate the
 fact to the Attorney-General, whose duty it shall then Duty of At-
 become to apply to the Supreme Court, or, if in vaca- torney-Gen'l.
 tion, to one of the judges thereof, for an order requir-
 ing said company to show cause why their business Show cause
 should not be closed; and the court, or judge, as the why their
 case may be, shall thereupon proceed to hear the alle- business
 gations and proofs of the respective parties; and in should not
 case it shall appear to the satisfaction of said court, or be closed.
 judge, that the assets and funds of said company are
 not sufficient, as aforesaid, or that the interest of the
 public require it, the said court, or judge, shall decree Decree of dis-
 a dissolution of said company and a distribution of its solution.
 effects. The said court, or judge, shall have power to
 refer the application of the Attorney-General to a
 referee, to inquire into and report upon the facts stated Referee.
 therein.

SEC. 29. Any company receiving the aforesaid
 requisition from the said Auditor, shall forthwith call Requisition
 upon its stockholders for such amounts as will make its upon stock-
 paid-up capital equal to the amount fixed by this act holders.
 or the charter of said company; and in case any stock-
 holder shall refuse or neglect to pay the amount so
 called for, after notice personally given, or by adver-
 tisement in such time and manner as said Auditor
 shall approve, it shall be lawful for the said company
 to require the return of the original certificate of stock
 held by such stockholders, and in lieu thereof to issue
 new certificates for such number of shares as the said New certi-
 stockholder may be entitled to in the proportion that cates of stock.
 the ascertained value of the funds of the said company
 may be found to bear to the original capital of the said
 company; the value of such shares for which new cer-
 tificates shall be issued to be ascertained under the
 direction of the said Auditor, the company paying for
 the fractional parts of shares; and it shall be lawful for
 the directors of such company to create new stock and
 dispose of the same, and to issue new certificates
 therefor, to an amount sufficient to make up the orig-
 inal capital of the company. And in the event of any
 additional losses accruing upon new risks, taken after

the expiration of the period limited by the said Auditor in the aforesaid requisition for the filling up of the deficiency in the capital of such company, and before said deficiency shall have been made up, the directors shall be individually liable to the extent thereof.

Directors liable, when.

Sec. 30. If upon such examination it shall appear to the said Auditor, that the assets of any company, chartered upon the plan of mutual insurance under this act, are insufficient to justify the continuance of such company in business, it shall be his duty to proceed, in relation to such company, in the same manner as is herein required in regard to joint-stock companies; and the trustees or directors of such company are hereby made personally liable for any losses which may be sustained upon risks taken after the expiration of the period limited by the said Auditor for filling up the deficiency in the capital, and before such deficiency shall have been made up. Any transfer of the stock of any company, organized under this act, made during the pending of any investigation required above, shall not release the party making the transfer from his liability for losses, which may have accrued previous to such transfer.

Assets of mutual companies insufficient.

Trustees liable, when.

Transfer of stocks, no release, when.

Sec. 31. The Auditor of State shall be authorized to examine into the condition and affairs of any insurance company, as provided for in this act, doing business in this State, not organized under the laws of this State, or cause such examination to be made by some person or persons appointed by him, having no interest in any insurance company; and whenever it shall appear to the satisfaction of said Auditor that the affairs of any such company are in an unsound condition, he shall revoke the certificates granted in behalf of such company, and shall cause a notification thereof to be published in some newspaper of general circulation, published in the city of Des Moines, and the agent or agents of such company are, after such notice, required to discontinue the issuing of any new policy, or the renewal of any previously issued.

Revoke certificate.

Sec. 32. There shall be paid by every company, association, person or persons, agent or agents, to whom this act shall apply, the following fees: For filing and examination of the first application of any company, and the issuing of the certificate of license thereon, ten dollars, five dollars of which shall go to the Attorney-General, and five dollars to the Auditor; for filing each annual statement herein required, two dollars; for each certificate of authority, fifty cents; for every copy of

Fees for home companies.

paper filed as herein provided, the sum of ten cents per folio, and fifty cents for certifying the same and affixing the seal of office thereto, all of which fees shall be paid to the officer required to perform the duties.

SEC. 33. Whenever the existing or future laws of any other State of the United States shall require of insurance companies, incorporated by or organized under the laws of this State, having agencies in such other State, or of the agents thereof, any deposit of securities in such State, for the protection of policyholders, or otherwise, or any payment for taxes, fines, penalties, certificate of authority, license fees, or otherwise, greater than the amounts required for such purposes from similar companies of other States by the then existing laws of this State, then, and in every such case, all companies of such States establishing or having theretofore established an agency or agencies in this State, shall be, and are hereby required to make the same deposit for a like purpose with the Auditor of this State, and to pay to said Auditor for taxes, fines, penalties, certificates of authority, license fees, or otherwise, an amount equal to the amount of such charges and payments, imposed upon or required, by the laws of such State, of the companies of this State or the agents thereof. Fees, &c., of foreign companies.

SEC. 34. It shall be the duty of every insurance company of the kind provided for in this act, doing business in this State, organized under the laws of this or any other State or country, to publish annually, in two newspapers of general circulation, one of which shall be published at the capital of this State, and in case of companies organized in the State of Iowa, one of which shall be published in the county where the principal office is located, a certificate from the Auditor of State that such company has, in all respects, complied with the laws of this State relating to insurance. Said certificate shall also contain a statement, under the oath of the president or secretary of such insurance company, of the actual amount of paid-up capital, the aggregate amount of assets and liabilities at the date of such certificate, together with the aggregate income and expenditures of such company for the year preceding the date of such certificate. Publish statement.

SEC. 35. The necessary expenditure of any examination, made or ordered to be made by the Auditor of State under this act, shall be certified to by him, and paid, on his requisition, by the company which is the Expenses.

subject of such examination : *Provided*, Such examination be not required of companies organized outside of this State doing business in States where an insurance department is established, and who furnish, whenever required to do so by the Auditor, the certificate of such insurance department exhibiting the solvency of such company.

Printed
forms
Change form
of statement.

SEC. 36. It shall be the duty of the Auditor of State to cause to be prepared and furnished to each of the companies organized under the laws of this State, and to the attorneys or agents of companies incorporated by other States and foreign governments who may apply for the same, printed forms of the statements required by this act, and he may from time to time make such changes in the form of these statements as shall seem to him best adapted to elicit from the companies a true exhibit of their condition in respect to the several points hereinbefore enumerated.

Auditor's re-
port.

SEC. 37. It shall be the duty of the Auditor of State to cause the information contained in the statements required of the companies organized in this State, to be arranged in a tabular form, and prepare the same in a single document for printing. Such report shall be made on or before the first day of March, and five hundred copies shall be printed for the use of the Auditor, and the same number for the use of the legislature.

§ 718, Rev.,
repealed.

SEC. 38. Section seven hundred and eighteen of the Revision of 1860, and all acts and parts of acts amendatory thereto in relation to taxing insurance companies in this State, are hereby repealed; and it is enacted, in lieu thereof, the following, to-wit: Every insurance company doing business in this State shall at the time of making the annual statement, as provided in section twenty of this act, pay into the State treasury, as taxes, two per cent. of the premiums on risks in this State taken during the preceding year, taking duplicate receipts therefor, one of which shall be filed with the Auditor of State, and upon the filing of said receipt, and not till then, the said Auditor shall issue the annual certificate as provided in this act, and the said sum of two per cent. shall be in full for all taxes upon the corporation or its shares under the laws of this State, except taxes on real property : *Provided, however*, That the provisions of this section shall not apply until the statement shall be required for January, 1869.

Taxes.

2 per cent. on
premiums.

SEC. 39. It shall not be lawful for any company organized upon the mutual plan to do business and take

risks upon the stock plan, neither for a company organized as a stock company to do business upon the plan of a mutual insurance company. Companies must be stock or mutual.

SEC. 40. Nothing in this act shall be so construed as to prevent any number of persons, not exceeding two hundred, from making mutual pledges and giving valid obligations to each other for their own insurance from loss by fire or death; but such association of persons shall in no case insure any property not owned and occupied by one of their own number, and no life except that of their own members, nor shall the provisions of this act be applicable to such associations or companies: *Provided*, Such associations or companies shall in no case pay any salaries or compensation to officers, agents, or any other employees, and shall receive no premiums nor make any dividends. Self insurance companies. Insure none but members. No salaries. No premium.

SEC. 41. Chapter sixty-eight of the Revision of 1860, and all acts and parts of acts amendatory and supplementary thereto, are hereby repealed, except so far as the same relates to the business of life insurance companies; and the Auditor of State is authorized to return the deposits made under section 1759 of the Revision of 1860, where the companies making the same shall have complied with this act: *Provided*, Such deposits shall not be needed for the payment of losses due from the company having made the same. Ch. 68, Rev., 1860, repealed. Rev., § 1759. Former deposits to be returned.

Approved April 7, 1868.

CHAPTER 139.

LEGALIZING NOTARIAL ACTS OF CERTAIN PERSONS IN POLK COUNTY.

AN ACT to Legalize the Notarial Acts of certain Notaries Public of Polk County. APRIL 7.

SECTION 1. *Be it enacted by the General Assembly of the State of Iowa*, That all the notarial acts of Charles J. McKay, a notary public in and for Polk county, done or certified on or subsequent to the ninth day of August, A. D. 1867, and prior to the day of December, A. D. 1867, shall be and the same are hereby legalized and made valid with the same force and effect as if his notarial commission had been C. J. McKay, from Aug. 9, 1867, to Dec. 27, 1867, with unrecorded commission.